



DAVISKELLY CERTIFIED
PUBLIC
ACCOUNTANTS
CREATING VALUE FROM NUMBERS

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**



Financial Statements

For the Years Ended June 30, 2021 and 2020

*A Certified Women-Owned Business Enterprise
in the Commonwealth of Massachusetts and City of New York
4238 Washington Street, Suite 307, Boston, Massachusetts 02131
687 West 204th Street, New York, New York 10034
Member, American Institute of Certified Public Accountants
Member, Association of Fraud Examiners
www.daviskellycpas.com*

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Financial Statements

For the Years Ended June 30, 2021 and 2020

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Independent Auditors' Report

To the Board of Directors
Massachusetts Immigrant and Refugee Advocacy Coalition, Inc.
Boston, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Massachusetts Immigrant and Refugee Advocacy Coalition, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Massachusetts Immigrant and Refugee Advocacy Coalition, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Massachusetts Immigrant and Refugee Advocacy Coalition, Inc.'s 2020 financial statements, and our report dated December 8, 2021 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Davis Kelly LLC

Boston, Massachusetts
April 20, 2022

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Statements of Financial Position

As of June 30, 2021 and 2020

<i>Assets</i>	<i>2021</i>	<i>2020</i>
Cash and cash equivalents	\$ 3,011,521	\$ 2,984,264
Cash and cash equivalents, with donor restrictions	571,989	178,752
Investments	201,798	198,303
Pledges, contracts and grants receivable	196,556	284,496
Prepaid expenses	8,409	8,656
Fixed assets, net	8,784	18,034
<i>Total assets</i>	\$ 3,999,057	\$ 3,672,505
 <i>Liabilities and Net Assets</i>		
 <i>Liabilities:</i>		
Accounts payable and accrued expenses	153,751	\$ 205,329
Capital lease obligations	-	7,155
Refundable advance	325,240	325,265
<i>Total liabilities</i>	478,991	537,749
 <i>Net Assets:</i>		
Without donor restrictions	2,929,477	1,311,687
With donor restrictions	590,589	1,823,069
<i>Total net assets</i>	3,520,066	3,134,756
<i>Total liabilities and net assets</i>	\$ 3,999,057	\$ 3,672,505

See accompanying notes to financial statements.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Statement of Activities

For the Year Ended June 30, 2021

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Revenues and Other Support:</i>			
Grants and contributions	\$ 2,014,708	\$ 18,600	\$ 2,033,308
Public contracts	486,828	-	486,828
Federated fundraising	30,386	-	30,386
Fiscal sponsor revenue	536,308	-	536,308
Special project revenue	94,863	-	94,863
Unrealized gains on investment	1,818	-	1,818
Interest income	3,836	-	3,836
Other income	11,217	-	11,217
Net assets released from restrictions	1,251,080	(1,251,080)	-
	<i>Total revenues</i>	<i>(1,232,480)</i>	<i>3,198,564</i>
Special events:			
Special events	234,719	-	234,719
Special events expense	(7,466)	-	(7,466)
	<i>Special events, net</i>	<i>-</i>	<i>227,253</i>
	<i>Total revenues and other support</i>	<i>(1,232,480)</i>	<i>3,425,817</i>
<i>Expenses:</i>			
Program services	1,918,530	-	1,918,530
Management and general	942,925	-	942,925
Fundraising	179,053	-	179,053
	<i>Total expenses</i>	<i>-</i>	<i>3,040,508</i>
	<i>Change in net assets</i>	<i>(1,232,480)</i>	<i>385,309</i>
<i>Net Assets, beginning</i>	<i>1,311,687</i>	<i>1,823,069</i>	<i>3,134,756</i>
<i>Net Assets, ending</i>	<i>\$ 2,929,477</i>	<i>\$ 590,589</i>	<i>\$ 3,520,066</i>

See accompanying notes to financial statements.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Statement of Activities

For the Year Ended June 30, 2020

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Revenues and Other Support:</i>			
Grants and contributions	\$ 1,039,069	\$ 797,182	\$ 1,836,251
Public contracts	994,781	-	994,781
Federated fundraising	29,850	-	29,850
Fiscal sponsor revenue	500,189	-	500,189
Special project revenue	92,422	-	92,422
Unrealized gains on investment	(2,289)	-	(2,289)
Interest income	21,887	-	21,887
Other income	68,668	-	68,668
	<i>Total revenues</i>	<i>797,182</i>	<i>3,541,759</i>
Special events:			
Special events	210,156	-	210,156
Special events expense	(18,291)	-	(18,291)
	<i>Special events, net</i>	<i>-</i>	<i>191,865</i>
	<i>Total revenues and other support</i>	<i>797,182</i>	<i>3,733,624</i>
<i>Expenses:</i>			
Program services	2,081,914	-	2,081,914
Management and general	479,525	-	479,525
Fundraising	163,812	-	163,812
	<i>Total expenses</i>	<i>-</i>	<i>2,725,251</i>
	<i>Change in net assets</i>	<i>797,182</i>	<i>1,008,373</i>
<i>Net Assets, beginning</i>	<i>1,100,496</i>	<i>1,025,887</i>	<i>2,126,383</i>
<i>Net Assets, ending</i>	<i>\$ 1,311,687</i>	<i>\$ 1,823,069</i>	<i>\$ 3,134,756</i>

See accompanying notes to financial statements.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Statements of Cash Flows

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<i>Cash Flows from Operating Activities:</i>		
Change in net assets	\$ 385,309	\$ 1,008,373
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,630	13,892
Unrealized gains (loss) on investments	1,818	(2,289)
Changes in:		
Pledges and grants receivable	87,940	(93,547)
Prepaid expenses	247	4,108
Accounts payable and accrued expenses	(51,578)	30,230
Refundable advance	(25)	325,265
	<u>434,341</u>	<u>1,286,032</u>
<i>Net cash provided by operating activities</i>		
<i>Cash Flows from Investing Activities:</i>		
Purchase of equipment	(1,380)	(9,048)
Change in investment, net	(5,313)	1,149
	<u>(6,693)</u>	<u>(7,899)</u>
<i>Net cash used in investing activities</i>		
<i>Cash Flows from Financing Activities:</i>		
Investment in capital lease agreement	(7,154)	(8,456)
	<u>(7,154)</u>	<u>(8,456)</u>
<i>Net cash used in financing activities</i>		
<i>Net change in cash and cash equivalents</i>	420,494	1,269,677
<i>Cash and cash equivalents, beginning</i>	<u>3,163,016</u>	<u>1,893,339</u>
<i>Cash and cash equivalents, ending</i>	<u>\$ 3,583,510</u>	<u>\$ 3,163,016</u>

See accompanying notes to financial statements.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Statement of Functional Expenses

For the Year Ended June 30, 2021

	<i>Training and Education</i>	<i>Policy and Analysis</i>	<i>Berkshire Immigrant Center</i>	<i>Organizing and Leadership</i>	<i>National Integration</i>	<i>National Partnership for New Americans</i>	<i>Fiscal Agent</i>	<i>Program Services</i>	<i>Management and General</i>	<i>Fundraising</i>	<i>Special Events</i>	<i>Total</i>
Salaries and related expenses:												
Salaries	\$ 101,400	\$ 222,204	\$ 224,386	\$ 140,847	\$ 593,924	\$ 2,113	\$ -	\$ 1,284,875	\$ 349,686	\$ 134,178	\$ -	\$ 1,768,739
Payroll taxes	-	-	19,586	61	-	-	-	19,648	116,162	11,405	-	147,215
Fringe benefits	-	10,169	35,742	14,448	67,911	-	-	128,270	153,503	1,195	-	282,968
	101,400	232,374	279,714	155,357	661,835	2,113	-	1,432,793	619,351	146,778	-	2,198,922
Training, meetings and conferences:												
Training	455	-	3,136	-	-	-	-	3,591	-	-	-	3,591
Conferences and meetings	-	20	-	28,224	1,285	-	2,777	32,306	524	21	-	32,851
	455	20	3,136	28,224	1,285	-	2,777	35,897	524	21	-	36,442
Occupancy:												
Rent expenses	4,719	1,937	11,400	23,151	18,037	1,858	-	61,101	16,650	5,404	-	83,155
Repairs and maintenance	25	7	-	29	43	-	-	104	8	7	-	120
	4,744	1,944	11,400	23,180	18,080	1,858	-	61,205	16,658	5,412	-	83,275
Information technology	-	300	-	1,060	-	-	-	1,360.00	-	17,858	-	19,218
Staff mileage and travel	-	-	335	3,264	2,322	849	-	6,769	831	661	-	8,262
Office supplies	648	262	7,233	4,021	2,976	262	495	15,896	6,798	741	-	23,434
Program supplies	403	2,844	3,904	747	5,888	-	70,075	83,861	4,122	3,007	-	90,990
Telephone	1,348	2,623	741	5,081	13,833	-	-	23,626	13,526	882	-	38,034
Insurance expenses	-	-	4,811	-	-	-	-	4,811	6,634	-	-	11,445
Special event expenses	-	-	-	-	-	-	-	-	-	-	7,466	7,466
Professional fees	1,610	14,844	70,498	54,246	52,415	-	3,950	197,563	215,865	3,508	-	416,935
Dues and subscriptions	-	5,296	2,105	200	-	-	-	7,602	12,792	-	-	20,394
Advertising	-	-	-	30,868	138	-	-	31,006	9,408	185	-	40,599
Interest	-	-	-	-	-	-	-	-	453	-	-	453
Depreciation	-	-	-	-	-	-	-	-	10,630	-	-	10,630
Bad debt expenses	-	-	-	-	-	-	-	-	22,346	-	-	22,346
Miscellaneous	-	-	6,706	6,000	1,435	2,000	-	16,141	2,988	-	-	19,129
<i>Total expenses by function of revenues on the statement of activities</i>	110,609	260,507	390,583	312,248	760,208	7,081	77,297	1,918,530	942,925	179,053	7,466	3,047,973
Direct costs	-	-	-	-	-	-	-	-	-	-	(7,466)	(7,466)
<i>Total expenses included in expenses on the statement of activities</i>	\$ 110,609	\$ 260,507	\$ 390,583	\$ 312,248	\$ 760,208	\$ 7,081	\$ 77,297	\$ 1,918,530	\$ 942,925	\$ 179,053	\$ -	\$ 3,040,508

See accompanying notes to financial statements.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Statement of Functional Expenses

For the Year Ended June 30, 2020

	<i>Training and Education</i>	<i>Policy and Analysis</i>	<i>Berkshire Immigrant Center</i>	<i>Organizing and Leadership</i>	<i>National Integration</i>	<i>National Partnership for New Americans</i>	<i>Fiscal Agent</i>	<i>Program Services</i>	<i>Management and General</i>	<i>Fundraising</i>	<i>Special Events</i>	<i>Total</i>
Salaries and related expenses:												
Salaries	\$ 107,553	\$ 54,928	\$ 194,545	\$ 331,016	\$ 603,673	\$ 24,015	\$ 720	\$ 1,316,450	\$ 173,065	\$ 129,894	\$ -	\$ 1,619,409
Payroll taxes	8,484	4,333	15,345	26,110	47,616	1,894	57	103,839	13,650	10,246	-	127,735
Fringe benefits	-	-	30,700	2,519	54,886	-	-	88,105	99,192	-	-	187,297
	<u>116,037</u>	<u>59,261</u>	<u>240,590</u>	<u>359,645</u>	<u>706,175</u>	<u>25,909</u>	<u>777</u>	<u>1,508,394</u>	<u>285,907</u>	<u>140,140</u>	<u>-</u>	<u>1,934,441</u>
Training, meetings and conferences:												
Training	-	-	4,147	750	-	-	-	4,897	2,645	67	-	7,609
Conferences and meetings	3,473	19	-	11,492	5,741	695	-	21,420	12,881	2,745	-	37,046
	<u>3,473</u>	<u>19</u>	<u>4,147</u>	<u>12,242</u>	<u>5,741</u>	<u>695</u>	<u>-</u>	<u>26,317</u>	<u>15,526</u>	<u>2,812</u>	<u>-</u>	<u>44,655</u>
Occupancy:												
Rent expenses	4,719	1,937	11,505	23,151	18,231	1,664	-	61,207	13,791	5,404	-	80,402
Repairs and maintenance	124	39	-	353	310	7	-	833	453	78	-	1,364
	<u>4,843</u>	<u>1,976</u>	<u>11,505</u>	<u>23,504</u>	<u>18,541</u>	<u>1,671</u>	<u>-</u>	<u>62,040</u>	<u>14,244</u>	<u>5,482</u>	<u>-</u>	<u>81,766</u>
Information technology	-	320	6,921	3,610	-	-	-	10,851	629	5,545	-	17,025
Staff mileage and travel	862	-	2,984	15,213	22,680	7,049	-	48,788	5,163	1,098	-	55,049
Office supplies	707	2,979	8,903	3,894	4,463	238	-	21,184	8,792	2,421	-	32,397
Program supplies	15	-	7,250	3,579	6,966	-	106,896	124,706	136	644	-	125,486
Telephone	609	123	977	3,616	5,003	-	-	10,328	9,488	432	-	20,248
Insurance expenses	-	-	4,155	-	-	-	-	4,155	2,975	-	-	7,130
Special event expenses	-	-	-	-	-	-	-	-	-	17,025	1,266	18,291
Professional fees	15,675	-	43,912	83,183	64,768	-	33,900	241,438	64,033	5,000	-	310,471
Dues and subscriptions	-	4,230	3,221	453	-	410	-	8,314	13,748	125	-	22,187
Advertising	121	-	-	4,609	1,197	250	-	6,177	1,106	113	-	7,396
Interest	-	-	-	-	-	-	-	-	2,036	-	-	2,036
Depreciation	-	-	-	-	-	-	-	-	13,892	-	-	13,892
Bad debt expenses	-	-	-	-	-	-	-	-	41,850	-	-	41,850
Miscellaneous	-	-	7,996	-	1,226	-	-	9,222	-	-	-	9,222
<i>Total expenses by function of revenues on the statement of activities</i>	142,342	68,908	342,561	513,548	836,760	36,222	141,573	2,081,914	479,525	180,837	1,266	2,743,542
Direct costs	-	-	-	-	-	-	-	-	-	(17,025)	(1,266)	(18,291)
<i>Total expenses included in expenses on the statement of activities</i>	\$ 142,342	\$ 68,908	\$ 342,561	\$ 513,548	\$ 836,760	\$ 36,222	\$ 141,573	\$ 2,081,914	\$ 479,525	\$ 163,812	\$ -	\$ 2,725,251

See accompanying notes to financial statements.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 1. Organization and Subsidiary

Massachusetts Immigrant and Refugee Advocacy Coalition, Inc. (MIRA or the Organization) is a nonprofit organization incorporated under the laws of the Commonwealth of Massachusetts on December 14, 1987. The Organization is dedicated to advocacy and promotion of the rights, privileges, and opportunities of immigrants and refugees. To this end, MIRA seeks to bring together individuals and organizations to help in shaping and evolving just, equitable and non-discriminatory policies as they relate to refugees, immigration and citizenship.

MIRA is a dynamic and multi-ethnic coalition with more than 130 organizational members, including grassroots community organizations; refugee resettlement agencies; providers of social, legal and health services; faith-based organizations; and civil and human rights advocates. MIRA organizes and empowers its members and allies, and they collectively mobilize immigrant communities to advocate for themselves, and amplify and support their voices. MIRA is a respected leader on immigrant issues at the state and national levels, and an authoritative source of information and policy analysis for policymakers, advocates, immigrant communities and the media.

Activities organized by MIRA include the dissemination of information relating to United States immigration, refugee and citizenship policies; the facilitation of co-operative educational and other related activities between members and all interested groups; the education and empowerment of immigrants and refugees; and participation in national and state conferences.

Note 2. Program Services

Program services consist of the following:

Training and education: This is designed to prepare members for service to their constituencies through training in various skills.

Policy and analysis: Dissemination of such analysis equips stakeholders with the understanding of the impact of policies of federal, state and local authorities on the immigrant and refugee communities.

Organization and leadership: This program focuses on organizing, equipping and empowering identified local immigrant leaders for advocacy and leadership roles.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 3. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). These standards require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets available that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

New Accounting Pronouncements

The Organization has adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. ASU 2014-09 eliminated the transaction and industry-specific revenue recognition guidance under previous U.S. GAAP and replaced it with a principle-based approach for determining revenue recognition. The core principle of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard improves the usefulness and understandability of the Organization's financial reporting.

Analysis of various provisions of this ASU resulted in no significant changes in the way the Organization recognizes revenue; therefore, no changes to the previously issued audited financial statements were required. The presentation and disclosures of revenue have been enhanced in accordance with the standards.

In July 2017, the FASB issued ASU 2017-13, *Leases (Topic 840) and Leases (Topic 842)*. The new standards will require organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The Organization is assessing the impact of the new guidance that will be implemented for the year ending June 30, 2022.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 3. Summary of Significant Accounting Policies (Continued)

The Organization has adopted ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, as amended. ASU 2018-08 was issued to make it easier for not-for-profit organizations to evaluate whether gifts, grants or contracts should be accounted for as contributions or as reciprocal (exchange) transactions accounted for under ASU 2014-09. Under the new guidance, all organizations are required to evaluate whether the resource provider (i.e., federal agency, foundation, corporation, etc.) is receiving commensurate value in a transfer of resources (i.e., assets or reduction/settlement of liabilities) and whether contributions are conditional or unconditional. If commensurate value is received by the resource provider, the transaction is to be accounted for as an exchange transaction by applying ASU 2014-09. If commensurate value is not received by the resource provider (i.e., the transaction is nonexchange), the recipient organization would determine the transaction to be a contribution and determine whether the contribution is unconditional or conditional. The standard improves the usefulness and understandability of the Organization's financial reporting.

Cash and Cash Equivalents

The Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase.

Revenue Recognition

The Organization reports gifts of land, building, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their value in the statements of financial position. Unrealized gains and losses are included in change in net assets. Investment income and gains restricted by a donor are reported as an increase in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Contributions

The Organization follows the requirements of the FASB in its Statement of Financial Accounting Standards, *Accounting for Contributions Received and Contributions Made*. This financial accounting standard requires that contributions be recorded as receivables and revenues, and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash or promises to give.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 3. Summary of Significant Accounting Policies (Continued)

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional (that is, at the time when the conditions on which they depend are substantially met). Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction, until restriction conditions are satisfied, at which time temporarily restricted net assets are reclassified as unrestricted net assets. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports that support as unrestricted.

Contract and Grant Revenue

The Organization derives revenues through contracts and grants received through the Commonwealth of Massachusetts Department of Refugee Assistance, and from various donors. Accordingly, the Organization is subject to the regulations and reporting requirements of the applicable governmental and grantor agencies. Contract and grant revenue is recorded in accordance with the provisions of the applicable award amounts, including the recognition of any purpose or time restriction on the use of the proceeds.

Financial awards from federal, state and local governmental entities in the form of grants are subject to special audits. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Advertising and Promotion

The Organization uses advertising and promotion to promote their programs. Advertising costs are expensed as incurred. Total advertising and promotion costs for the years ended June 30, 2021 and 2020 were \$40,599 and \$7,396, respectively.

Contributed Goods and Services

The Organization records various types of in-kind support, including contributed facilities and professional services. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the financial statements as in-kind support are offset by amounts included in expenses or property and equipment. Many individuals volunteer their time and effort in support of the Organization's programs. The value of these donated services is not recorded in the financial statements as the services do not meet the criteria for recognition as in-kind contributions under U.S. GAAP.

**MASSACHUSETTS IMMIGRANT AND
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Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 3. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following functional expenses are directly allocated to the programs, projects and departments as they are utilized:

- Meeting expenses
- Program expenses
- Travel expenses
- Postage and delivery
- Printing

The following functional expenses are allocated depending on time and effort:

- Office supplies
- Rent
- Telephone
- Salary
- Payroll taxes and benefits
- Program fees

Fixed Assets

Property, equipment, furnishing, and improvement purchases in excess of \$1,500 are capitalized at cost if purchased or at fair market value at the date of receipt if donated. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to fixed assets. Depreciation of fixed assets is computed using the straight-line method over the estimated useful lives of the assets as follows:

Office equipment	3-5 years
Furniture and fixtures	7 years
Computer	3-5 years
Software	3 years
Leasehold improvement	4 years

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Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 3. Summary of Significant Accounting Policies (Continued)

Pledges Receivable

Pledges consist of unconditional promises to give that are expected to be collected in future years and classified as conditional promises to the extent that conditions have been met but reimbursement from the grantor has not yet been received. Pledges receivable represent amounts that are due from individual donors, which are classified as current if they are scheduled for payment within one year and noncurrent when the expected payment date exceeds one year.

Management believes that all pledges receivable are collectible; therefore, no allowance for doubtful pledges has been established. If pledges are determined to be uncollectible in subsequent periods, they will be charged to activities at that time.

Income Tax Status

The Organization is exempt from federal income tax under the provision of Internal Revenue Code (IRC) Section 501(c)(3). In addition, the Organization qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under IRC Section 509(a)(1). The Organization is also exempt from Massachusetts state taxes. However, the Organization remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption.

Note 4. Cash and Cash Equivalents, with Donor Restrictions

Cash is restricted for use by the Berkshire Immigrant Center (BIC), which is a project for which the Organization acts as a fiscal sponsor. The amount of cash restricted for use by BIC is \$571,989 at June 30, 2021.

Note 5. Cash and Cash Equivalents

The Organization maintains its cash balance in bank deposit accounts. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash and cash equivalents. As of June 30, 2021 and 2020, the uninsured portion and uncollateralized portion of this balance was \$2,892,879 and \$2,864,887, respectively.

**MASSACHUSETTS IMMIGRANT AND
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Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 6. Fixed Assets

Fixed assets consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Equipment and furniture	\$ 153,130	\$ 151,750
Leasehold improvement	21,009	21,009
Website	30,760	30,760
Database	4,850	4,850
	<hr/>	<hr/>
	209,749	208,369
Less: accumulated depreciation	<u>(200,965)</u>	<u>(190,335)</u>
	<hr/>	<hr/>
<i>Fixed assets, net</i>	<u>\$ 8,784</u>	<u>\$ 18,034</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$10,630 and \$13,892, respectively.

Note 7. Fiscal Sponsorship

The Organization provides financial and programmatic oversight to BIC in Worcester, which is an unincorporated nonprofit project.

The mission of BIC is to assist individuals and families from more than 80 countries in making the economic, psychological and cultural adjustment to a new land, not only by meeting basic needs, but by helping them become active participants in the community, as well as assist them in navigating the complex U.S. immigration system.

Note 8. Fair Value Measurements

The Organization has adopted the provision of FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**MASSACHUSETTS IMMIGRANT AND
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Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 9. Fair Value Measurements (Continued)

When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Organization considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

FASB ASC 820 also establishes a fair value hierarchy that requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The categorization of each investment type within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. FASB ASC 820 establishes three levels of inputs that may be used to measure fair value:

- **Level 1:** Quoted prices in active markets for identical assets or liabilities at the measurement date;
- **Level 2:** Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- **Level 3:** Unobservable inputs that are supported by little or no market activity and that reflect the Organization's own assumptions about market participants and investment prices.

The following is a description of the valuation methodology used for assets measured at fair value:

- **Fixed-income financial instruments:** Valued at cost plus accrued interest at year-end or valued at the closing price reported on the active market on which the individual instrument is traded, as applicable.

Investments are reported at their fair values as of June 30, 2021. The fair values of financial instruments appearing on the accompanying statements of financial position have the following valuation approaches as defined by the FASB ASC 820 hierarchy:

- Assets utilizing Level 1 inputs include mutual funds, which amounted to \$201,798 and \$198,303 as of June 30, 2021 and 2020, respectively. Investments are valued at cost plus accrued interest, which approximates fair value. There are no liabilities utilizing Level 1 inputs.
- There are no assets and liabilities utilizing Level 2 inputs.
- There are no assets and liabilities utilizing Level 3 inputs.

**MASSACHUSETTS IMMIGRANT AND
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Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 9. *Liquidity and Availability*

The following represents the Organization's financial assets that are available to meet general expenses over the next 12 months:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,011,521	\$ 2,984,264
Investments	201,798	198,303
Pledges, contracts and grants receivable	196,556	284,496
<i>Total financial assets</i>	<u>3,409,875</u>	<u>3,467,063</u>
Less amounts not available for use within one year:		
Total net assets with donor restrictions	590,589	1,823,069
Less net assets with donor restrictions to be met within one year	<u>(590,589)</u>	<u>(1,823,069)</u>
<i>Financial assets available to meet general expenditures over the next 12 months</i>	<u><u>\$ 3,409,875</u></u>	<u><u>\$ 3,467,063</u></u>

The Organization's goal is to maintain financial assets to meet 180 days of operating expenses. As part of its liquidity plan, only one to two months' worth of operating cash is kept in business checking and the rest is kept in a money market account.

Note 10. *Refundable Advance, Paycheck Protection Program (PPP) Loan*

On April 17, 2021, the Organization was granted a loan from Eastern Bank in Boston, Massachusetts for \$325,265 pursuant to the PPP.

The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

**MASSACHUSETTS IMMIGRANT AND
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Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 11. Refundable Advance, Paycheck Protection Program (PPP) Loan (Continued)

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, the Organization cannot assure it will not take actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part. The loan is recorded on the statement of financial position as a refundable advance.

Note 11. Pension Plan

The Organization maintains a noncontributory simple employee pension plan. An annual contribution to the plan is 5% of employees' annual compensation. In order to qualify for the plan, employees must have two years of continuous employment. Additionally, the Organization offers a tax-deferred annuity plan for participating employees to make contributions, whereby there is no required match and contributions are directed by the participants. Pension expense for the years ended June 30, 2021 and 2020 was \$24,312 and \$26,330, respectively, and is included under fringe benefits.

Note 12. Leases

The Organization signed a new five-year lease agreement that was amended in 2018 to extend through September 30, 2021. The lease agreement includes an option to renew for an additional three years. The second location is a three-year lease agreement for BIC at \$950 per month starting July 1, 2017.

The future minimum payments on the leases are as follows:

Year ending June 30:	
2022	\$ 17,862

Total rent expense for the years ended June 30, 2021 and 2020 amounted to \$83,155 and \$80,402, respectively.

Note 13. Summarized Comparative Financial Information

The financial statements include certain prior-year summarized comparative financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended June 30, 2020, from which the summarized information was derived.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 14. Subsequent Events

The Organization has evaluated subsequent events through April 20, 2022 which is the date the financial statements were available to be issued.